

Research Article

Assessment of Brand as Economic Value Asset

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Abstract.

This study aims to explore how to create economic value for a brand and determine the competent authority responsible for its valuation. The assessment of economic value, especially for brands, requires special provisions and regulations regarding Intellectual Property Rights (IPR). Trademark rights are valuable assets that need to be recognized as such. Technological advancements have spurred economic growth in the creative industry, leading to competition in creating valuable and useful works. A brand serves as an identity, feature, icon, and representation of a product. Its economic value and popularity increase significantly when used by individuals with a large number of followers. To protect the brand's recognition, it must be officially registered, preventing others from easily claiming it as their own. However, currently, there is no specific government regulation governing the economic valuation of a brand. Therefore, it becomes essential for the government to play a role in regulating this aspect.

Regulations concerning the economic valuation of a brand become crucial when the brand is utilized as collateral for debt, becomes subject to disputes, or is considered as an asset in the event of bankruptcy. The research adopts a normative juridical approach, examining theories, principles, and related regulations relevant to the topic. Additionally, a quantitative method is used to analyze social reality and human behavior objectively and measure them based on the existing problems in this area.

Keywords: brand, economic value, guarantee, asset

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1. Introduction

As a supporter of ease of doing business and increasing investment, intellectual property is a valuable asset that can advance the country's economy. Trademarks are part of Intellectual Property Rights (HaKI) or Intellectual Property Rights (IPR) originally derived from the term Intellectual Property Right (IPR), which is defined as property rights arising from human intellectual abilities. Intellectual Property Rights (IPR) is an exclusive right guaranteed by law or regulation to a person or group of people for their copyrighted work so that that person or group can obtain or enjoy economic benefits from the results of an intellectual creativity. IPR is basically an asset that has economic value and can be classified as a company asset in the intangible asset category. Trademark rights as exclusive rights are legal rights, because trademarks are legal rights, they can be classified into intangible rights, trademark rights can be transferred and transferred to other parties. Transition with value and in the form of economic rights. The law in force in Indonesia does not emphasize or write and declare trademark rights as property, but as objects. property rightsIntellectual property can also be used as access to obtain bank credit internationally. Singapore for example, with many property rightsinintellectual property such as patents and trademarks trading, Liontemples have created spaceto be able to use intellectual property rights as collateral objects banking [1].

In the Civil Code, it is explained that what is meant by objects according to their shape are material or tangible objects and immaterial or intangible objects. Trademark rights can be said to be objects, the manifestation of the object can be in the form of a registered trademark rights ownership certificate. The trademark law does not regulate and categorize marks as objects, but if we look at the meaning of objects contained in the Civil Code, then basically marks are included in the object category because marks are objects of property rights and have economic value [2]. Self-enhancement congruence and self-transcendence congruence positively affect brand trust, word of mouth, and value co-creation through the mediating role of brand identification [3]. After a long time facing the pandemic, culinary and fashion are the most sought after businesses, marketing is done through social media. With today's technological sophistication and easy access to information, social media is the easiest place to promote. For product marketing as well as places and culinary names, of course, you need a name that describes the product that can be unique and differentiating the product from other products and it is called a brand. Brands have traditionally given a minimal focus on administering the brand–customer touchpoints and emotional attributes .

Small businesses can bring strong brand value in their industry or local market. Brand equity is one of the few assets in a business that can provide a sustainable competitive advantage, but because the idea of brand value means different things to different people, brand valuation is not an objective concept. People imitate and reproduce a product because the brand of the product is well known and has a high selling value in the market. Big brands, like Apple or Google, are worth billions of dollars. The strongest factors that influence consumers' desire to buy a brand are the main brand characteristics and coexistence experiences [4]. The number of likes, comments, and shares create a positive influence on the perceptions of the brand's consumers [5]. A brand can give confidence to its imitators to make the same product with lower quality to increase the sales value of a product. The relationship between brand image and brand trust, which is the initial stage of brand building process plays a vital role in consumers' purchasing decisions [6]. Several cases of trademark lawsuits that occurred include:

1. Businessman and former US President filed a lawsuit against the Trumps brand at the Central Jakarta Commercial Court against a local businessman, Robin Wibowo. Trump considers Robin Wibowo to have committed plagiarism. Court ruling in favor of Donald Trump.
2. Ruben Onsu's lawsuit was completely rejected by the judges at the Central Jakarta District Court and canceled the registration of the brand name Geprek Benu, the trademark. The trademark was deemed to resemble the trademark of PT Ayam Geprek Benny Sujono, and the judge granted the reconceptual claim of PT Ayam Geprek Benny Sujono as the legal owner and first user for the Ayam Geprek Benu business brand.
3. PT Gudang Garam Tbk (the company) filed a lawsuit to the Surabaya commercial district court regarding the cancellation of the brand owned by Gudang Baru which continued to use the company's trademarks. Gudang Garam Baru parties still ignore and continue to use brands that seem to have similarities in principle with the brands owned by the company. The facts that occur in the field of brands on Gudang Baru products have been considered misleading as if the products belonging to Gudang Baru have the potential to be considered as belonging to the Company.
4. PT. Unilever Indonesia Tbk has a trademark dispute case between the company and Hardwood Private Limited, or known in Indonesia as the parent company flag. Starting from the lawsuit filed by Hardwood to PT. Unilever at PN Niaga Central

Jakarta. with the verdict won by Hardwood. The court ordered Unilever to pay compensation to Hardwood amounting to Rp 30 billion for the trademark dispute. Based on this decision, Unilever then submitted an appeal to the Supreme Court. "Currently, the case is in the process of an appeal against the previous decision that was handed down in November 2020.

5. Virginia Island beverage producer, Multi Access Limited succeeded in canceling the Wong Lao Ji herbal tea brand belonging to local entrepreneur Dhalim Soekodanu at the Central Jakarta Commercial Court. The panel of judges stated that the Wong Lao Ji brand belonging to Multi Access is a well-known brand. This brand has been registered in various countries long before Dhalim registered his trademark in Indonesia. The dispute started with Multi Access which filed a lawsuit for the cancellation of Dhalim's Wong Lao Ji brand. Multi Access does not accept the registration of the Wong Lao Ji mark and the painting of Chinese characters by Dhalim at the Directorate General of Intellectual Property Rights (Ditjen HKI). Multi Access claims to be the sole owner of the Wong Lao Ji brand.
6. DC Comics with PT Marxing Farm Makmur with its Wafer Superman product. The word "Superman" in the Superman wafer brand, is very synonymous with the name of the superhero created by DC Comics, which was first published in 1938. Superman wafers have been traded by PT Marxing Fam Makmur since 1993. DC Comics also sued the wafer company. However, he lost against the lawsuit against PT Marxing Fam Makmur. In April 2018, DC Comics filed a lawsuit against PT Marxing Fam Makmur to the Central Jakarta Commercial Court. The goal is that the Directorate General of Intellectual Property Rights, the Ministry of Law and Human Rights, removes Superman from the list of brands in Indonesia. So that DC can have exclusive rights to the Superman brand in Indonesia. However, the DC Comics lawsuit was not accepted. Then it was brought to the level of the Supreme Court. Appeal rejected.

Several approaches in a brand assessment, of course we have to see, take into account and distinguish the value of the brand as having economic value. Three measures in assessing intellectual property rights, especially brand rights [7]:

1. Market approach, by looking at market conditions we can estimate the value of intangible assets based on an analysis of actual sales and/or transactions in the market.
2. Income approach by analyzing the income we can estimate the value of intangible assets based on the capitalization of economic income or current value and future

value, value or economic income derived from the use of licenses or leasing of the brand.

3. Cost approach By analyzing the cost approach, it is possible to estimate the value of intangible assets based on economic principles as well as utility functions.

An assessment of the economic value of trademark rights needs to be carried out to show that trademark rights can be recognized as one type of valuable property. The object can be said to be valuable if it fulfills several conditions, namely it must have usability, its availability is limited and its ownership can be transferred. The government has issued Government Regulation Number 24 of 2022 concerning the Creative Economy, where in Article 9 it is stated that in the implementation of the Intellectual Property-Based Financing Scheme, bank financial institutions and non-bank financial institutions may use Intellectual Property as an object of debt guarantee in the form of fiduciary guarantees for Intellectual Property, contracts in Creative Economy activities and/or collection rights in Creative Economy activities. Trademark rights fulfill all the elements and conditions to be considered as objects that have economic value [8]. The valuation of brands as valuable assets has not been clearly regulated by the government, assessment agencies or those who have the authority to assess brands to obtain economic value.

In order to minimize legal risk which has been carried out by banks on collateral objects in form of trademark right, Bank should conduct an analysis of collateral objects [9]. In this study, formulating a way to get a brand's economic value can be assessed based on the history or length of the brand's existence, based on the annual revenue of the brand's products and how many and how popular these products and brands are in the market. This study formulates that brand assessment can be done by calculating the method by calculating the net income from the start to the present day divided by the length of time the product brand has been in existence.

The longer a brand exists, the higher the economic value of the brand. Brands that have high economic value can be used as collateral for debt, and can be bought and sold as well as transfer of ownership rights. The use of consumer brand as collateral can augment lenders' opportunities. Moreover, it explores how to assess a brand's suitability as a collateral [10].

◆ **Calculation of Brand Value as a Sale and Purchase object**

$$\frac{\text{Company total net profit (1)}}{\text{(as long as the brand stands)}} \times \text{as long as the brand stands (2)} = \text{(1/2 X as long as the brand stands) (3)}$$

◆ **Calculation of Brand Value as Guarantee object**

$$\frac{\text{Company total net profit (1)}}{\text{(as long as the brand stands)}} \times \text{length of credit} = \text{TOTAL PLAFOND (3)}$$

as long as the brand stands (2)

Figure 1: Formulation of the method of calculating brand appraisal.

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